



DEFENSE SECURITY COOPERATION AGENCY: AGENCY OVERVIEW

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7 MARCH 2000**

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SECURITY COOPERATION: A KEY POLICY TOOL FOR THE 21st CENTURY



FOREIGN POLICY GOALS

- BUILD INSTITUTIONS TO KEEP AMERICANS SAFE AND THE WORLD PEACEFUL
- SUSTAIN OUR PROSPERITY AND EXPAND GLOBAL ECONOMY
- PROMOTE AMERICAN PRINCIPLES & VALUES

NATIONAL SECURITY GOALS

- TO ENHANCE OUR SECURITY WITH MILITARY FORCES THAT ARE READY TO FIGHT
- TO BOLSTER AMERICA'S ECONOMIC REVITALIZATION
- TO PROMOTE DEMOCRACY ABROAD

SECURITY ASSISTANCE PROGRAMS

CINC GOALS

- COALITION BUILDING
- FORWARD PRESENCE
- INTEROPERABILITY
- REGIONAL STABILITY
- CRISIS MANAGEMENT
- THEATER DETERRENCE



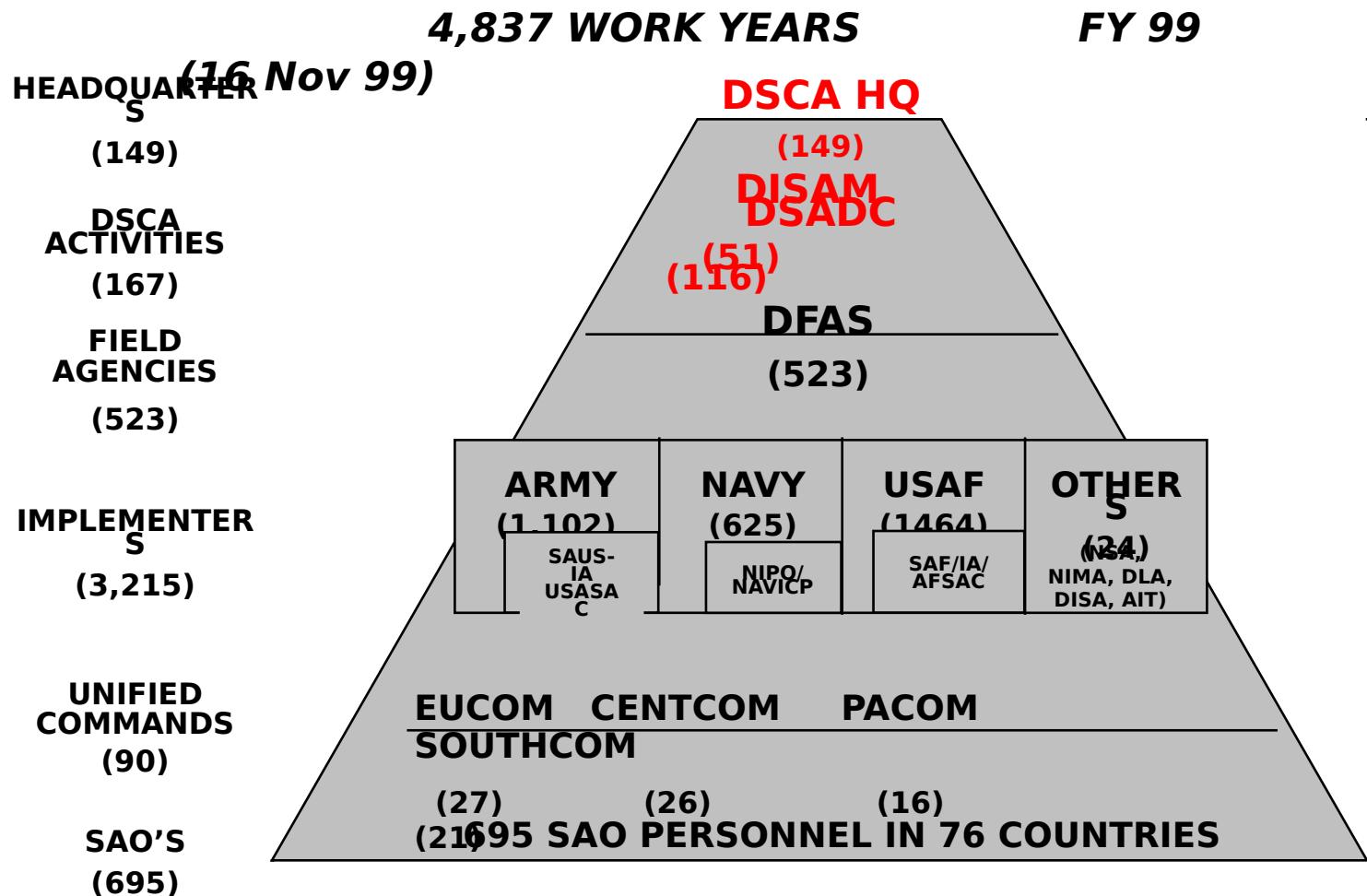
SECURITY COOPERATION PROGRAM



- **FMS BUSINESS 1999**
 - \$12.2B IN SALES
 - \$18.4B IN DELIVERIES
 - 15,000 OPEN CASES
VALUED AT \$226B
 - \$70B IN THE PIPELINE
 - \$5.5B IN CUSTOMER
TRUST FUNDS
- **GRANT ASSISTANCE**
 - \$3.4B FMF IN 1999
 - \$50M IMET PROGRAM
WITH 118 COUNTRIES
- **DOD PROGRAMS**
 - \$71.5M IN HUMANITARIAN
ASSISTANCE TO 80
COUNTRIES
 - \$16M IN HUMANITARIAN
DEMINING TO 23
COUNTRIES
 - \$41.4M FOR WARSAW
INITIATIVE
 - \$1.9M FOR AFRICA CENTER
FOR STRATEGIC STUDIES
- **RESOURCES**
 - \$370M BUDGET
 - 4,837 WORKYEARS
 - 695 SAOs

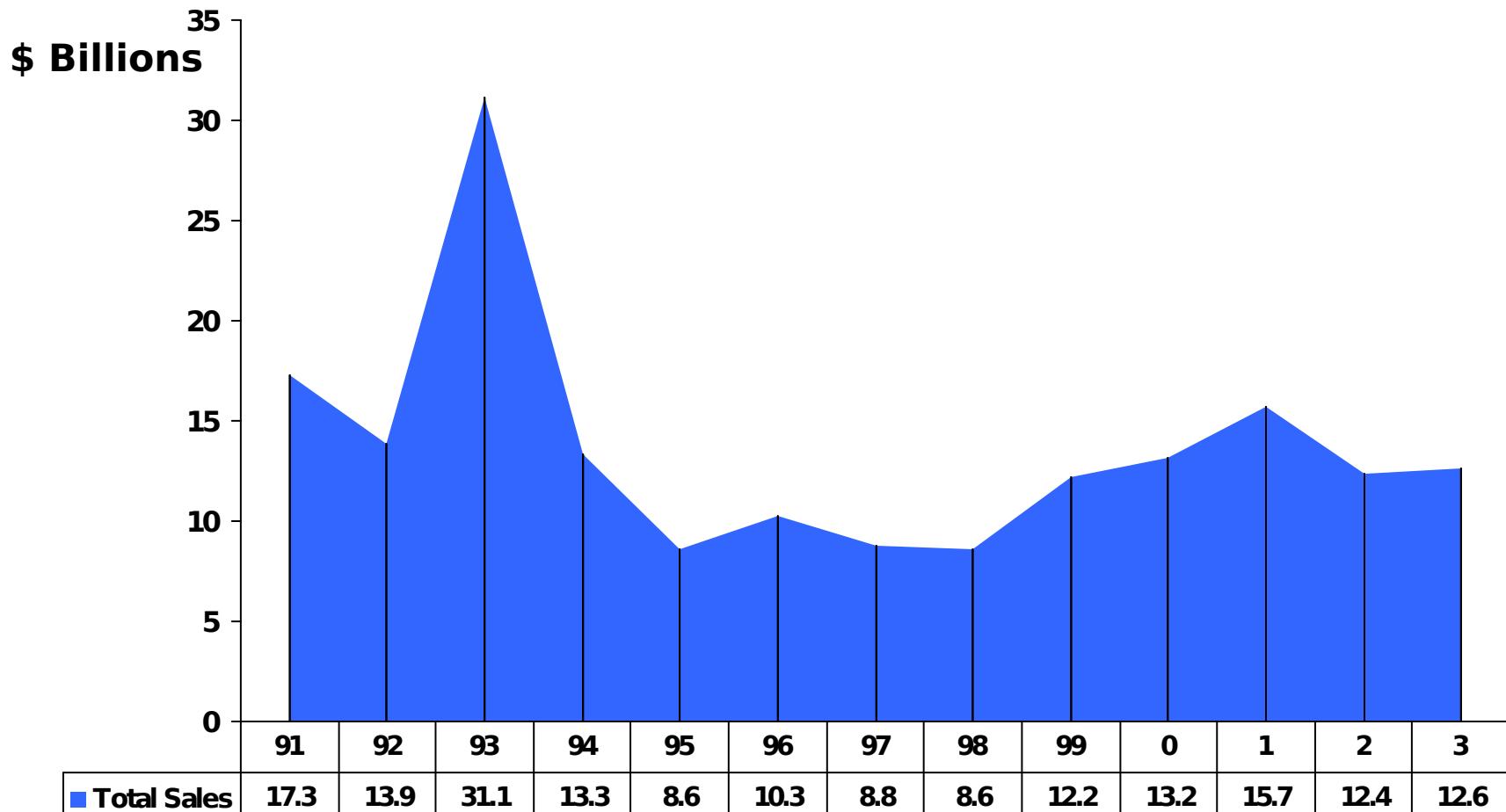


FUNCTIONAL VIEW OF THE SECURITY ASSISTANCE COMMUNITY





FOREIGN MILITARY SALES

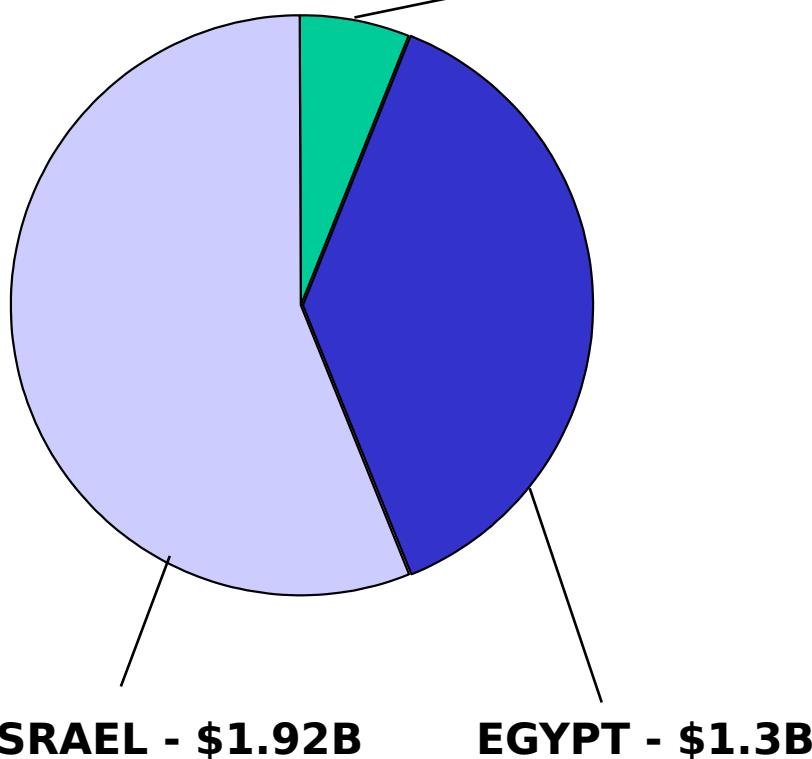




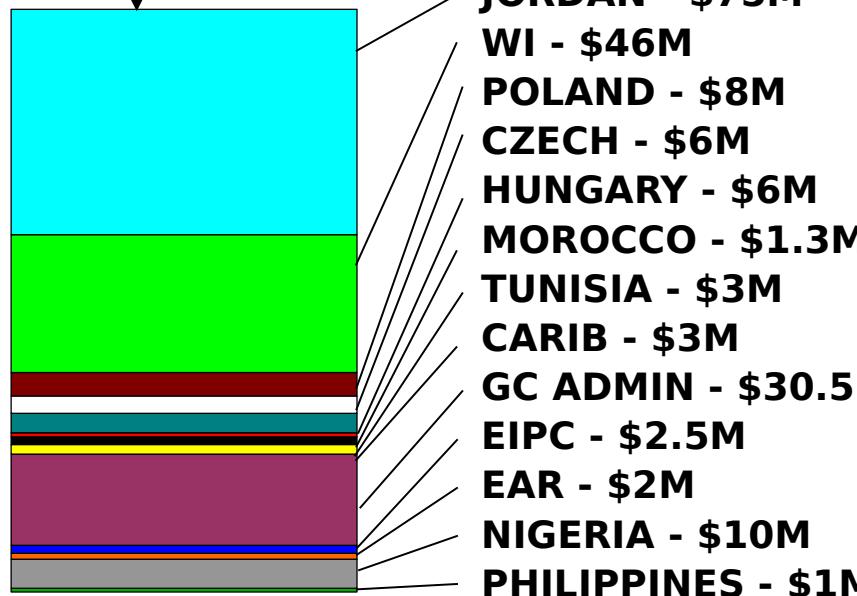
FOREIGN MILITARY FINANCING: *FY 00 ALLOCATION*



TOTAL = \$3.41B

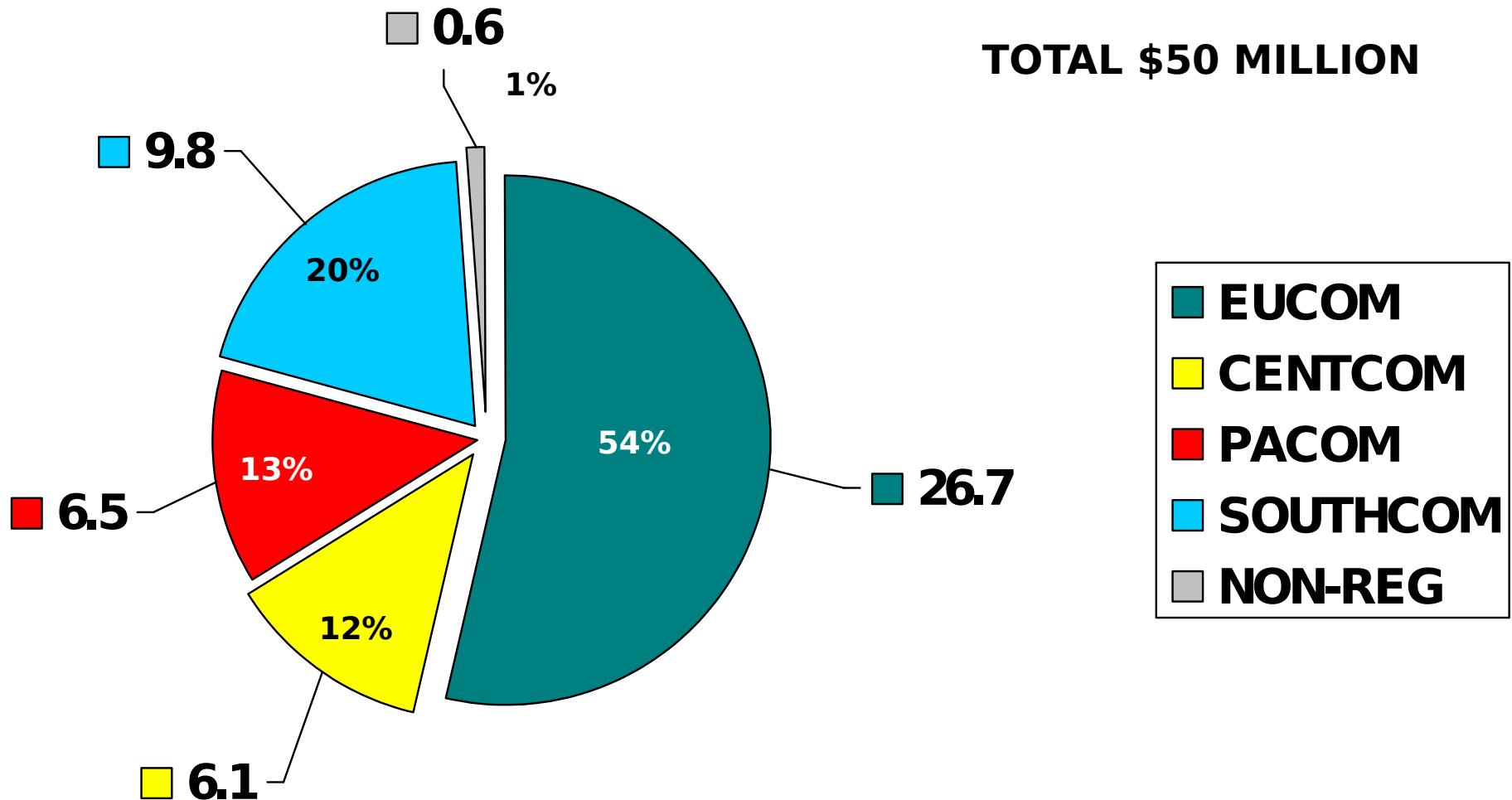


DISCRETIONARY - \$194M





00 IMET ALLOCATIONS BY REGION





HUMANITARIAN ASSISTANCE & DEMINING



- **HUMANITARIAN ASSISTANCE (FY 00 - \$30.2M) PROVIDES:**
 - **EMERGENCY ASSISTANCE (FOOD, SHELTER, MEDICAL, TRANSPORTATION)**
 - **NON-EMERGENCY ASSISTANCE (NON-LETHAL EXCESS PROPERTY, TRANSPORTATION OF NGO-DONATED RELIEF SUPPLIES, SERVICES--E.G. MEDICAL AND ENGINEERING)**
 - **PACOM HA PROGRAM FUNDED AT \$2.6M**
- **DEMINING ASSISTANCE (FY 00 - \$25.6M) PROVIDES:**
 - **ASSISTS COUNTRIES TO CLEAR EXISTING LANDMINES**
 - **DESIGNS SUSTAINABLE INDIGENOUS PROGRAMS**
 - **PROMOTES HUMAN WELFARE THROUGH MINE AWARENESS/DEMINING TRAINING**
 - **PACOM HD PROGRAM FUNDED AT \$2.6M**



DSCA MAJOR EFFORTS



External

- RE-ENGINEER THE FMS PROCESS AND MEET CUSTOMER NEEDS
- MAINTAIN SECURITY ASSISTANCE TRUST FUND SOLVENCY
- MAINTAIN SOLVENCY OF CUSTOMER TRUST FUNDS
- ENSURE CONTINUED VIABILITY OF AGENCY

Internal

- IMPLEMENT AGENCY 5 YEAR STRATEGIC PLAN
- COMPLETE AGENCY'S BUSINESS PERFORMANCE PLAN FOR DEFENSE MANAGEMENT COUNCIL
- DEVELOP & FIELD DSAMS



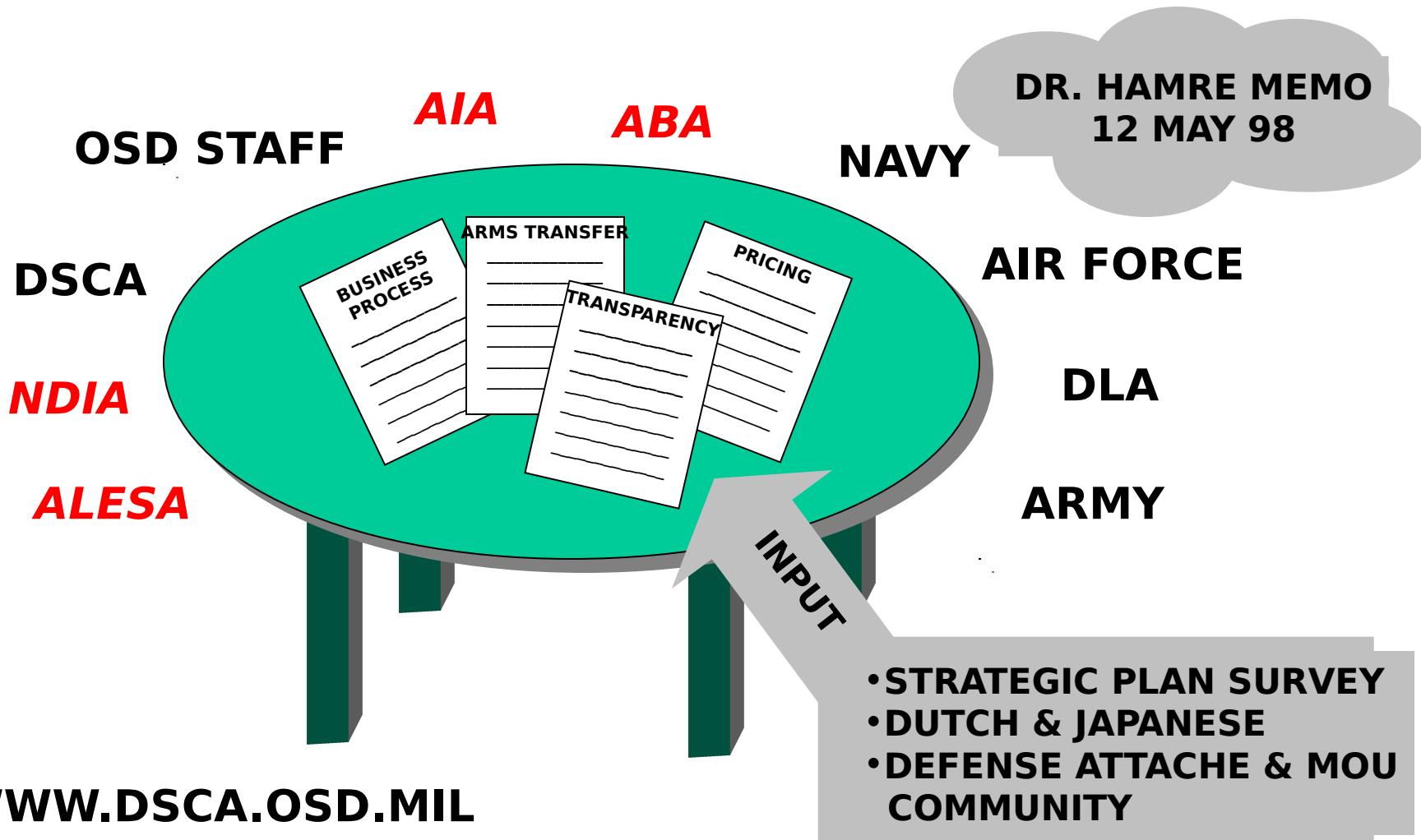
SECURITY COOPERATION REINVENTION



- **EVENTS LEADING TO REINVENTION EFFORT**
 - **SERIES OF CRITICAL PRESS ARTICLES**
 - **GAO REPORT FINDINGS CRITICAL OF SECURITY COOPERATION PROCESSES**
 - **INCREASED CUSTOMER SOPHISTICATION AND CRITICISM**
 - **EVOLVING ROLES OF U. S. GOVERNMENT AND U. S. INDUSTRY**



RE-ENGINEERING THE FMS SYSTEM





REINVENTION



- **Actions To Date:**

- **White Papers**

- **PROCESS TRANSPARENCY, PRICING, ARMS/TECH TRANSFER, BUSINESS PROCESSES**

- **Surcharge Reduced 3% to 2.5%**
 - **Legislative Initiative - Revision to Section 30 allowing reimbursement for Direct Commercial Sales support**
 - **Policy Papers**
 - **FOREIGN PARTICIPATION IN USG CONTRACTING, USG COOPERATION WITH INDUSTRY, LOA TRANSPARENCY, ARMS TRANSFER POLICY REVIEW GROUP**
 - **DFAS Analysis**



REINVENTION : WHAT'S NEXT



- Firm Fixed Price/Not-to-Exceed LOAs
- Credit/Debit Cards
- Activity Based Costing
- Surcharge Structure
- Develop Longer-Term Implementation Plan & Metrics
 - White Paper #4



THE FUTURE



- **SECURITY COOPERATION REFLECTS ON USG AND DEMONSTRATES COMMITMENT TO SECURITY NEEDS OF OUR FRIENDS AND ALLIES**
- **SECURITY COOPERATION WILL CONTINUE TO BE AN IMPORTANT TOOL FOR POLICY MAKERS**
- **WE CAN EXPECT:**
 - **CONTINUED SCRUTINY OF FOREIGN AID REQUESTS**
 - **CONTINUED PRESSURE TO REDUCE MANPOWER RESOURCES**
 - **INCREASED COMPETITIVE MARKET FOR SMALLER DEFENSE BUDGETS**



AGENCY VISION



TO BE THE PREMIER AGENCY RECOGNIZED AND RESPECTED FOR LEADERSHIP, EXPERTISE, INNOVATION, AND RESULTS IN SECURITY COOPERATION...

- A HIGHLY QUALIFIED TEAM OF MOTIVATED PROFESSIONALS**
- VITAL TO SUPPORTING US INTERESTS AND SECURITY RELATIONSHIP**
- THE INTERNATIONAL PARTNER OF CHOICE**

...MASTERING THE CHALLENGES OF A CHANGING GLOBAL ENVIRONMENT.

***D*ecisive
*S*upportive
*C*ommitted
*A*ccessible**



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